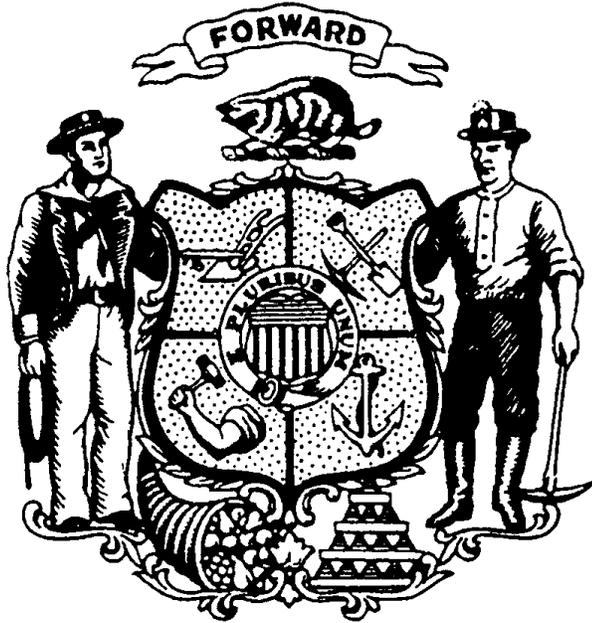


STATE OF WISCONSIN

2003-05 EXECUTIVE BUDGET SUMMARY

**RESTORING FISCAL RESPONSIBILITY FOR
WISCONSIN'S FUTURE**

JIM DOYLE, GOVERNOR



FEBRUARY 2003

DIVISION OF
EXECUTIVE BUDGET AND FINANCE
DEPARTMENT OF ADMINISTRATION

RESTORING FISCAL RESPONSIBILITY

- The Governor is committed to restoring integrity to the state's budget. Costs will be reduced, duplicative programs eliminated and priorities met. State government will be downsized through attrition, retirement incentives and other measures that avoid layoffs if at all possible.
- The fiscal goals of the Governor's 2003-05 budget are:
 - ✓ Balance the budget without tax increases.
 - ✓ Bring the budget into both short-term and long-term structural balance.
 - ✓ Sharply cut state spending and reduce the size of state government.
 - ✓ Use one-time revenues in a prudent manner to offset the one-time carry-over deficit.

- The major program goals of the Governor's 2003-05 budget are:
 - ✓ Protect and improve K-12 schools in Wisconsin by providing an additional \$100 million in school aids, modifying the school district revenue limits to assist low-spending school districts and repealing the qualified economic offer requirement.
 - ✓ Ensure the continued delivery of critical local government services by fully funding the state's 2003 shared revenue commitment to municipalities and counties and maintaining the highest feasible level of state support for shared revenue in future years.
 - ✓ Assist low- and middle-income students attending the University of Wisconsin through significant increases in student financial aid.
 - ✓ Protect Wisconsin's outdoor and rural economies by funding chronic wasting disease surveillance and eradication efforts.
 - ✓ Ensure continued economic growth in Milwaukee and throughout Wisconsin by providing funding for reconstructing the Marquette Interchange while preserving allocations for priority transportation projects throughout the state.
 - ✓ Improve the return of federal dollars to Wisconsin and maintain core health care benefits for the poor, elderly and disabled. Invest some of the new funds to improve and expand community health care placements for the disabled and elderly.
 - ✓ Implement prison management measures to reduce the number of out-of-state prison beds, open low-cost correctional facilities and reduce growth in the corrections budget.

BUDGET AND ECONOMIC OUTLOOK

- Wisconsin's economy has shown signs of both strength and weakness over the last three years.
 - ✓ FY03 revenue estimates have been revised downward by \$390 million since January 2002.
 - ✓ Wisconsin is expected to finish FY03 with a \$454 million deficit.

- The Governor's Deficit Reduction Bill is expected to reduce that deficit to \$292 million.

- Wisconsin is projected to have average revenue growth over the next two fiscal years.
 - ✓ Tax revenues are projected to grow by \$518 million (5.1 percent) in FY04, and by another \$602 million (5.6 percent) in FY05, under the January 2003 Legislative Fiscal Bureau revenue estimates.
 - ✓ These estimates are about \$650 million less over the three-year period (FY03 through FY05) than those prepared by the Department of Revenue in November 2002.
 - ✓ These estimates provide biennial revenue growth over base of about \$1.7 billion.

THE FISCAL CRISIS

- The FY04 and FY05 biennial budget represents Wisconsin's worst fiscal crisis in over 20 years.
- Assuming approval by the Legislature of the Governor's FY03 Deficit Reduction Bill, the 2003-05 biennium will open with a carry-over deficit of \$292 million
- The state has a "structural deficit" of \$507 million in FY03, the second year of the current biennium.
 - ✓ This means that spending in FY04 exceeds taxes and other revenues collected in FY03 by \$507 million.
 - ✓ As a result, the first \$507 million of revenue growth in each year of the next biennium is needed just to maintain base-level spending.
- In order to maintain commitments made to local governments for 2003-04, the budget must also find new funding to replace \$598 million in one-time tobacco securitization revenues used to fund shared revenue in 2002-03.
- An additional \$300 million in other one-time measures and adjustments (e.g., sick leave conversion payment holiday, debt restructuring, etc.) used in balancing the 2001-03 budget must also be accommodated in balancing the 2003-05 budget.
- The state faces substantial spending commitments and pressures which will require large funding increases in other areas (e.g., corrections, Medical Assistance, debt service payments, employee compensation reserves).

ADDRESSING THE DEFICITS

| Totaling Up the Deficits | |
|---|-----------------|
| (\$ in millions) | |
| FY03 Deficit | -\$454 |
| Biennial Structural Deficit | -1,014 |
| One-Time Measures and Other Adjustments in FY03 | -589 |
| Biennial Cost to Fully Fund Shared Revenue | <u>-1,178</u> |
| 2003-05 Deficit (Prior to Revenue Growth and Agency Requests) | -\$3,235 |
| Agency Requests (Excluding Full Funding of Shared Revenue) | <u>-1,590</u> |
| Total Deficit Including Agency Requests | -\$4,825 |
| Legislative Fiscal Bureau Revenue Estimates | <u>1,638</u> |
| Remaining Deficit After Revenue Estimates | -\$3,187 |
| Governor Doyle's Plan to Balance the Budget | |
| Governor's FY03 Deficit Reduction Bill | \$161 |
| Denying Agency Requests | 949 |
| State Operations Base Reductions (including UW System) | 378 |
| Other Base Reductions | 119 |
| Federal Intergovernmental Transfer Revenues | 408 |
| Use of Patients Compensation Fund Balance for Medical Assistance Provider Payments | 200 |
| Transportation Fund Assistance to Schools and Shared Revenue | 500 |
| Tribal Gaming Revenues | 237 |
| Other Changes | <u>275</u> |
| Total | \$3,227 |
| FY05 Ending Balance | \$40 |

SETTING THE STAGE FOR WISCONSIN'S FUTURE

- The Governor's FY04 and FY05 budget:
 - ✓ Includes no tax increases, no increases in income, sales or corporate taxes, and no changes in exemptions or deductions.
 - ✓ Is balanced in both years of the biennium and into the future.
 - ✓ Restores full funding for the state's shared revenue commitment in FY04 and funds all but \$70 million in FY05.
 - ✓ Fully funds the nearly \$1 billion in school levy tax credit.
 - ✓ Maintains support for schools and Medical Assistance.
 - ✓ Makes deep cuts in state government spending.
 - ✓ Shrinks the state work force by 2,900 positions.
 - ✓ Avoids any new delays in state aid payments to local governments or school districts.
 - ✓ Creates mechanisms to shield the budget against weak revenue collections, increase the statutory balance and make deposits in the rainy day fund.
 - ✓ Provides for the largest increase (56%) in financial aid for UW students in history.
 - ✓ Slows the growth in corrections spending to the lowest increase in over a decade.
 - ✓ Improves and expands the use of community placements for the elderly and disabled.

- The Governor met the challenge of balancing the budget by:
 - ✓ Cutting state agency operations by an average of almost 10 percent each year.
 - ✓ Denying almost all new agency spending requests.
 - ✓ Eliminating two agencies, and consolidating duplicative programs to make state government more efficient.
 - ✓ Cutting state support for the University of Wisconsin System by \$250 million.
 - ✓ Providing modest increases in school aids.
 - ✓ Protecting health care access and Wisconsin's economy by continuing innovative federal Medicaid financing options and using trust fund surpluses to maintain health care provider payments.
 - ✓ Taking advantage of low interest rates and infrastructure financing opportunities to maintain priority transportation projects and assist Wisconsin's schools and local governments.

OVERALL BUDGET RECOMMENDATIONS

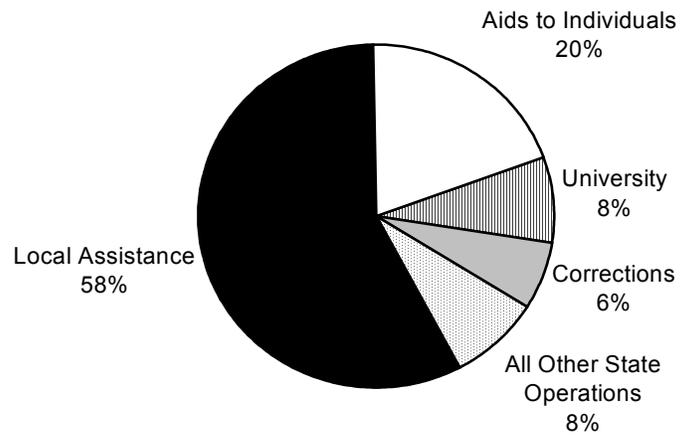
- The budget recommends cuts in GPR spending levels.
 - ✓ FY04 recommended GPR spending is \$10.8 billion, a \$370 million (3.3 percent) decrease over FY03.
 - ✓ FY05 recommended GPR spending is \$11.7 billion, an \$895 million (8.3 percent) increase over FY04.
 - ✓ This is the first reduction in biennial GPR spending, adjusted for one-time measures, in over 30 years.
- The budget recommends total biennial spending from all fund sources (GPR plus federal, segregated and program revenues) of \$48.8 billion:
 - ✓ FY04 recommended all funds spending is \$24.3 billion, a \$643 million (2.7 percent) increase over FY03.
 - ✓ FY05 recommended all funds spending is \$24.5 billion, a \$242 million (1 percent) increase over FY04.
 - ✓ Growth in overall spending is extremely modest, with the first year increase reflecting the innovative measures necessary to bring the general fund budget back into balance.
- From all agencies, the budget eliminates a net of 2,000 positions.
 - ✓ Over 2,900 positions are cut from state agency and UW operations.
 - ✓ Over 900 new positions are authorized to reflect independent actions of the University of Wisconsin System and University of Wisconsin Hospital and Clinics Authority to create positions.
 - ✓ The Governor's budget reflects a real cut in state positions, rather than a redefinition of existing positions (e.g., the transfer of state positions to the UW Hospital and Clinics Authority in 1996).

General Fund Condition Under Governor's Budget and FY03 Deficit Reduction Bill
(\$ in millions)

| | 2003-05 Governor's Budget | | | 2005-07 Estimates | |
|---|---------------------------|---------------|---------------|-------------------|---------------|
| | <u>FY03</u> | <u>FY04</u> | <u>FY05</u> | <u>FY06</u> | <u>FY07</u> |
| OPENING BALANCE, JULY 1 | \$53.8 | -\$292.2 | \$35.4 | \$40.2 | \$75.3 |
| REVENUES AND TRANSFERS | | | | | |
| Taxes | \$10,223.5 | \$10,746.9 | \$11,350.9 | \$11,873.0 | \$12,419.2 |
| Departmental Revenues | 415.9 | 218.8 | 227.7 | 192.8 | 192.8 |
| New Tribal Gaming Revenues | <u>0.0</u> | <u>112.0</u> | <u>125.0</u> | <u>137.0</u> | <u>149.0</u> |
| Total Available | \$10,693.2 | \$10,785.6 | \$11,738.9 | \$12,243.0 | \$12,836.3 |
| APPROPRIATIONS, TRANSFERS AND RESERVES | | | | | |
| Gross Appropriations | \$11,107.3 | \$10,783.7 | \$11,678.9 | \$12,263.9 | \$12,487.6 |
| Compensation Reserves | 79.8 | 115.8 | 176.4 | 20.0 | 80.0 |
| Transfer to Tobacco Control Fund | 15.3 | 15.3 | 15.3 | 15.3 | 15.3 |
| Less Estimated Lapses | <u>-217.1</u> | <u>-164.6</u> | <u>-171.9</u> | <u>-131.6</u> | <u>-144.0</u> |
| Total Expenditures | \$10,985.4 | \$10,750.2 | \$11,698.8 | \$12,167.7 | \$12,438.9 |
| BALANCES | | | | | |
| Gross Balance | -\$292.2 | \$35.4 | \$40.2 | \$75.3 | \$397.4 |
| Less Required Statutory Balance | <u>-134.2</u> | <u>-35.0</u> | <u>-40.0</u> | <u>-75.0</u> | <u>-251.4</u> |
| Net Balance, June 30 | -\$426.4 | \$0.4 | \$0.2 | \$0.3 | \$146.0 |
| Structural Balance | -\$346.0 | \$327.5 | \$4.8 | \$35.1 | \$322.1 |

Note: Detail may not add precisely to total due to rounding

FY05 Budget Allocations by Purpose



STRUCTURAL BUDGET ISSUES

- The Governor's budget erases the \$3.2 billion deficit.
- Provides a \$40 million minimum ending balance in FY05.
- Brings ongoing revenues into line with on-going expenditures for the first time in over 20 years.
- Has a structural surplus at the end of FY05 of \$4.8 million and sets the stage for a \$322 million structural surplus by FY07.
- In light of the depth of the budget deficit, new approaches to protecting the budget are proposed:
 - ✓ Use excess federal intergovernmental transfer revenues to increase the general fund balance.
 - ✓ Identify lower priority state assets for sale and deposit the proceeds in the state rainy day fund.
 - ✓ Authorize restructuring of the state's general obligation bonds only in the event of a significant drop in revenue estimates.

MEETING THE SHARED REVENUE COMMITMENT

- Shared revenue to be paid in FY04 has already been built into calendar year 2003 local government budgets.
- The state has made a commitment to pay local governments over \$1 billion in FY04 for shared revenue.
- Use of one-time tobacco securitization proceeds for shared revenue leaves a \$598 million gap for FY04
- The Governor's budget meets the shared revenue commitment:
 - ✓ Full funding in FY04 (\$1,040 billion).
 - ✓ Close to full funding in FY05 (\$931 million – a \$70 million reduction from current law).
 - ✓ The budget pays \$10 million of these shared revenue amounts from Medical Assistance in each year. This approach will allow Wisconsin to bring in \$18 million of additional federal Medicaid funding to maintain health care access for low-income populations.
- The Governor further assists local governments by repealing the Consolidation Incentive Program.

MAJOR PROGRAM INITIATIVES

- The Governor proposes major program initiatives in the following areas:
 - ✓ Restoring fiscal discipline, including balancing the budget without tax increases, increasing Wisconsin's fair share of federal aid and tribal gaming revenues, and meeting the shared revenue commitment to local governments.
 - ✓ Government operations and efficiency, including a reduction in the state workforce of over 2,900 positions, state agency cuts that range from 5 percent to 63 percent, the elimination of eight agencies, streamlining of various other government functions and innovative measures to limit state and local health insurance costs.
 - ✓ Transportation and economic development, including funding for reconstructing the Marquette Interchange, measures to offset reductions in federal highway aid, increased investments in brownfields redevelopment and transitional wage-paying job options to improve W-2.
 - ✓ Education, including repeal of the QEO, retention of the school district revenue limits, increased equity in the school aid formula, increases in student financial aid and caps on UW tuition.
 - ✓ Environment and natural resources, including measures to combat chronic wasting disease, investments in water quality and assistance to private forest landowners.
 - ✓ Human services, including protecting the Medical Assistance, BadgerCare and SeniorCare programs, investing in community care options, controlling prescription drug costs and downsizing of state institutions.
 - ✓ Corrections and justice, including the smallest increase in corrections spending in more than a decade, cost-effective alternatives to prison for nonviolent offenders and investment of federal criminal justice grants in programs to mentor juveniles and reduce truancy.

RESTORING FISCAL DISCIPLINE

- The Governor recommends the following measures to balance the budget and make up for the missed opportunities of the past:
 - ✓ No tax increases. No increases in income, sales or corporate taxes. No changes in exemptions or deductions.
 - ✓ Bring long-term spending trends into line with recurring revenues for the first time in 20 years, and set the stage for a structural surplus of \$322 million by FY07.
 - ✓ Secure an additional \$237 million in tribal gaming revenues over the biennium.
 - ✓ Continue to pursue innovative financing mechanisms to increase federal intergovernmental transfer revenues to the state by \$547 million.
 - ✓ Utilize surpluses and financing capacity in other state funds on a one-time basis to ensure health care for low-income populations, protect property taxpayers and support Wisconsin's economy.
 - ✓ Set aside excess federal intergovernmental transfer revenues to increase the required balance in the general fund, deposit proceeds from the sale of state assets in the Budget Stabilization Fund and authorize restructuring of the state's debt only as a last resort in the event of declining revenues.
 - ✓ Help control and reduce health care costs by creating a pharmacy benefits purchasing pool for state and local government.

GOVERNMENT OPERATIONS AND EFFICIENCY

- The Governor recommends significant reductions in state operations funding and positions, and a comprehensive streamlining of state agencies:
 - ✓ Cut GPR state agency operations and state support for the UW by \$380 million over the biennium. Cut state agency operations spending by an average of almost 10 percent each year.
 - ✓ Eliminate eight agencies, boards and commissions:
 - Electronic Government
 - Employment Relations
 - Personnel Commission
 - Higher Educational Aids Board
 - Tobacco Control Board
 - Adolescent Pregnancy Prevention and Pregnancy Services Board
 - Office of the Commissioner of Railroads
 - TEACH Board
 - ✓ Consolidate a number of functions throughout state government
 - Coordinate allocation of agency legal staff through DOA
 - Transfer housing functions from DOA to Commerce
 - Consolidate consumer protection functions at DOJ
 - Consolidate milk inspection responsibilities at DATCP
 - Consolidate brownfields grants at DNR
 - ✓ Eliminate over 2,900 positions from state agencies, with a net reduction of 2,000 positions throughout state government
 - ✓ Recognize the ability of the UW Hospital and Clinics Authority and the UW System to independently create positions without legislative approval by reporting on these positions separately.

- The Governor's budget also recommends changes in state employee compensation and benefits:
 - ✓ Set aside funding for unfinished collective bargaining agreements from the 2001-03 biennium.
 - ✓ Reduce state health insurance costs by focusing on the most efficient health care plans and giving the Group Insurance Board more flexibility in setting health insurance contribution rates.
 - ✓ Create additional incentives to increase the number of retirements.

| Agency | FY04 | FY05 | FY04 | FY05 | Reduction | FY05 GPR FY03 Base |
|--|----------|----------|----------|----------|-----------|-----------------------|
| Administration (includes DER & DEG) | \$3,062 | \$3,062 | \$3,600 | \$3,600 | 146.1 | 18% |
| Adolescent Preg Prev Bd | | | | | 2.0 | |
| Aging and Long Term Care Board | 37 | 37 | | | 1.0 | 5% |
| Agriculture, Trade & Consumer Protection | 1,888 | 1,888 | 426 | 426 | 52.0 | 10% |
| Appeals Court | | | | | | |
| Arts Board | 66 | 66 | | | 1.0 | 20% |
| Board of Commissioners of Public Lands | | | | | 1.5 | |
| Child Abuse Prevention Board | | | 17 | 17 | | |
| Circuit Courts | 250 | 250 | | | | 0% |
| Commerce | 1,129 | 1,129 | 5,306 | 5,306 | 54.7 | 16% |
| Corrections | 9,700 | 9,700 | | | 200.0 | 21% |
| District Attorneys | 900 | 900 | | | 15.0 | 2% |
| Educational Communications Board | 1,028 | 1,028 | | | 17.8 | 20% |
| Elections Board | 46 | 46 | | | 1.0 | 5% |
| Employee Trust Funds | | | | | | |
| Employment Relations Commission | 400 | 400 | | | 4.0 | 16% |
| Ethics Board | 14 | 14 | | | 0.5 | 6% |
| Financial Institutions | | | 825 | 848 | 15.5 | |
| Governors Office | 667 | 667 | 8 | 8 | 8.0 | 19% |
| Health and Family Services | 3,500 | 6,700 | 488 | 488 | 538.0 | 7% |
| Higher Educational Aids Board | 80 | 470 | | | 8.0 | 63% |
| Historical Society | 1,500 | 1,500 | | | 30.0 | 16% |
| Insurance Commissioner | | | 1,445 | 1,445 | 5.0 | |
| Investment Board | | | | | | |
| Judicial Commission | | | | | | |
| Justice | 5,000 | 5,000 | 162 | 162 | 40.0 | 15% |
| Legislature | 5,920 | 5,920 | | | 60.0 | 10% |
| Lieutenant Governors Office | 180 | 180 | | | 4.0 | 34% |
| Lower WI State Riverway Board | | | | | | |
| Medical College of Wisconsin | | | | | | |
| Military Affairs | 198 | 198 | | | 3.0 | 3% |
| Natural Resources | 7,879 | 7,879 | 1,625 | 1,625 | 142.0 | 19% |
| Personnel Commission | 810 | 810 | | | 9.0 | 100% |
| Public Defender Board | 3,500 | 3,500 | | | 16.0 | 5% |
| Public Instruction | 2,582 | 2,582 | | | 25.0 | 10% |
| Public Service Commission | | | | | 13.0 | |
| Regulation & Licensing | | | 1,970 | 1,970 | 10.0 | |
| Revenue | 3,967 | 3,967 | | | 151.0 | 5% |
| Secretary of State | | | | | | |
| State Fair Park | | | | | 15.0 | |
| Supreme Court | 500 | 500 | | | | 5% |
| TEACH Wisconsin Board | 606 | 606 | | | 9.0 | 94% |
| Tech College System | 350 | 350 | | | 6.0 | 11% |
| Tobacco Control Board | | | | | 3.0 | |
| Tourism | 2,179 | 2,179 | | | 7.5 | 20% |
| Transportation | | | 15,000 | 15,000 | 300.5 | |
| Treasurer | | | | | 1.0 | |
| UW Hospitals & Clinics | | | | | | |
| UW System | | | | | 650.0 | |
| Veterans Affairs | 100 | 100 | 900 | 900 | 18.0 | 14% |
| Workforce Development | 4,000 | 4,000 | | | 219.0 | 21% |
| Totals | \$62,038 | \$65,628 | \$31,771 | \$31,794 | 2,803.1 | 9.2% |

TRANSPORTATION AND ECONOMIC DEVELOPMENT

- The Governor recommends the following initiatives to enhance economic development and preserve our transportation network:
 - ✓ Provide for over \$3 billion in road and highway funding over the biennium.
 - ✓ Mitigate an expected drop in federal highway aid of more than \$90 million by expanding capital financing for major highway and large-scale rehabilitation projects.
 - ✓ Promote mass transit and economic development in southeastern Wisconsin by providing \$400,000 to match federal funding for preliminary engineering of a commuter rail corridor between the cities of Kenosha, Racine and Milwaukee.
 - ✓ Increase vehicle registration and titling fees by \$10 each to help ensure that Wisconsin's transportation revenue bonds remain a good investment and allow continued funding of high-priority state and local road projects.
 - ✓ Provide \$244 million to reconstruct the Marquette Interchange by 2008.
 - ✓ Increase local transportation and transit aids at the rate of inflation.
 - ✓ Enact the .08 blood alcohol limit to help prevent loss of life from accidents caused by drunk drivers, while at the same time ensuring that Wisconsin receives its fair share of federal highway funds.

- The Governor recommends the following economic development initiatives:
 - ✓ Promote redevelopment of idle property in the City of Milwaukee by extending Canal Street and by expanding the Board of Commissioners of Public Lands investment authority.
 - ✓ Streamline administration and increase flexibility to meet needs in the brownfields grant program by consolidating various grant programs and increasing funding by \$1 million.
 - ✓ Ensure continued development of the rural economy by preserving funding for the Agricultural Development and Diversification Grant program at \$760,000.
 - ✓ Improve service to the business community by providing \$242,000 to develop an Internet-based system through which mortgage banking and financial services entities could apply, renew and pay for licenses; update information; and complete annual reports.

EDUCATION AND WORKFORCE INITIATIVES

- The Governor recommends a number of changes to improve K-12 education in Wisconsin:
 - ✓ Increase school aids by \$100 million over the biennium.
 - ✓ Improve educational equity by giving low-spending districts more flexibility under the revenue limits and removing disequalizing provisions from the school aid formula.
 - ✓ Repeal the QEO to give teachers the same collective bargaining rights as all other public employees. This measure will improve educational quality by retaining top-notch teachers.
 - ✓ Repeal the unfunded mandate for a high school graduation test. Current levels of testing employed by DPI, in addition to the rigorous testing provisions in the federal No Child Left Behind Act, reduce the need for another high-stakes test.
 - ✓ Fully fund most categorical aid programs, including SAGE, special education, and bilingual education.
 - ✓ Repeal the requirement for a high school graduation test.
 - ✓ Maintain current law funding for most categorical aid programs, including SAGE, special education and bilingual education.
- The Governor recommends various changes to higher education:
 - ✓ Increase student financial aid for low- and middle-income UW students by 56 percent over the biennium.
 - ✓ Cap growth in UW tuition to \$350 per semester at doctoral campuses and \$250 per semester at other campuses.
 - ✓ Increase the number of graduates in nursing and other health care professions through a new \$10 million grant program to increase technical college enrollment in these programs.

- The Governor recommends the following to address the funding shortfall in TANF and improve the W-2 program:
 - ✓ Address the \$95 million structural deficit in the TANF budget by reducing funding for W-2 contracts and other TANF-funded programs while preserving direct benefits.
 - ✓ Provide W-2 participants the option to work in wage-paying transitional jobs, pay taxes and be eligible for the state and federal earned income tax credits, to enable them to move more rapidly into the work force
 - ✓ Provide sufficient funding to meet the anticipated growth in W-2 caseloads.

HEALTH AND FAMILY SERVICES INITIATIVES

- The Governor recommends preserving health care for the state's most vulnerable populations:
 - ✓ Continue pursuit of innovative federal Medicaid financing mechanisms to generate approximately \$550 million in new revenue for the Medical Assistance program.
 - ✓ Protect access to health care and control health care costs by using \$200 million from the Patients Compensation Fund to pay providers under the Medical Assistance program.
 - ✓ Increase selected provider rates (nursing homes, HMO's and home health agencies) and avoid broad across the board rate cuts.
 - ✓ Control prescription drug costs through increased prior authorization, creation of a preferred drug list and continued investigation and implementation of broad-based purchasing pools.
 - ✓ Increase overall funding for Medical Assistance by almost \$750 million over the biennium.
 - ✓ Preserve SeniorCare to ensure affordable prescription drugs for the elderly.
 - ✓ Preserve BadgerCare to ensure health care access for working families.

- The Governor recommends enhancements to community care options for the elderly and disabled:
 - ✓ Increase home and community-based waiver slots and reimbursement rates to counties for existing slots.
 - ✓ Expand Family Care to Kenosha County and explore further expansions to two more counties.
 - ✓ Continue efforts to emphasize community care rather than institutions, including a significant downsizing of the Northern Wisconsin Center for the Developmentally Disabled.

CORRECTIONS AND JUSTICE INITIATIVES

- The Governor recommends the following changes to the Department of Corrections budget:
 - ✓ Provide the lowest increase in corrections spending in over a decade.
 - ✓ Open cost-effective correctional facilities at Winnebago and Sturtevant in support of efforts to provide alternatives to revocation of probation and parole for nonviolent offenders and to improve transition of minimum security offenders into the community.
 - ✓ Provide maintenance funding but delay opening of new correctional facilities at New Lisbon and Chippewa Falls.
 - ✓ Expand options that allow nonviolent offenders to earn their release from prison and reduce corrections costs.
 - ✓ Create a felony drug offender alternative to prison program in Milwaukee County for female offenders.
 - ✓ Reduce administrative and middle management positions in the central office.

- The Governor recommends the following enhancements to the provision of criminal justice services:
 - ✓ Establish a State Prosecutors Board to better allocate assistant district attorneys throughout Wisconsin and to review charging practices.
 - ✓ Increase court fees to offset rising costs and to ensure the provision of court interpreter services throughout the court system and regardless of indigency.
 - ✓ Direct the Sentencing Commission to review the effectiveness of the “Truth in Sentencing” felony sentencing structure to ensure it protects public safety in a cost-effective manner, promotes consistency in sentencing practices, and preserves the integrity of the criminal justice and correctional systems.
 - ✓ Direct federal Byrne funding to improve services for at-risk youth.

ENVIRONMENTAL INITIATIVES

- The Governor recommends the following environmental and natural resources initiatives:
 - ✓ Protect Wisconsin's outdoor and rural economies by providing \$3.7 million to combat chronic wasting disease.
 - ✓ Stabilize funding for fish and wildlife management programs by providing tribal gaming revenues and additional fee revenue to the Conservation Fund.
 - ✓ Maintain Wisconsin's park system by focusing on high-priority services and providing \$2.6 million from tribal gaming revenues to address a deficit in parks funding.
 - ✓ Continue to support local land use planning efforts by maintaining funding for comprehensive planning grants.
 - ✓ Ensure wise use of our forest resources by providing \$3 million to enhance forest fire control efforts and assist private forest land owners with developing management plans.
 - ✓ Protect Wisconsin's abundant water resources by providing \$1 million to process waterway and wetland permits and prevent the spread of aquatic invasive species.
 - ✓ Protect water quality by providing over \$280 million in revenue and general obligation bonding to support point and non-point source pollution abatement efforts.
 - ✓ Minimize claim backlogs in the petroleum storage tank cleanup (PECFA) program by authorizing an additional \$115 million revenue bonds.